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CHUGACH ELECTRIC ASSOCIATION  
HEARING ON SOUTHERN INTERTIE PROJECT

November 13, 2001  
Anchorage, Alaska

KRON ASSOCIATES  
1113 W. Firwood Lane, Suite 200  
Anchorage, Alaska 99503  
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1 MR. MCKEOWN: Can you hear me all right? Do I have to  
2 speak right into that?

3 MS. OXLEY: Yeah. And just so you know, that microphone  
4 won't amplify, it will just record.

5 MR. MCKEOWN: Okay. So I can stand back here  
6 (indiscernible).

7 MS. OXLEY: So you can just speak comfortably. And  
8 Charlene will let you know if she can't hear

9 MR. MCKEOWN: The reason I came to testify is not to speak  
10 against a permit but it's against one of the routes and that's  
11 route F which is the one that goes right through the Wildlife  
12 Refuge. Just a quick history, I've been in Anchorage for 46  
13 years and have grown up using the Wildlife Refuge as a camping,  
14 hunting spot. My father, my sister, we grew up here, hunting  
15 there, fishing there, camping there. And I've taken my daughter  
16 in there and many of my friends. In fact my sister's ashes are  
17 spread in that area, I'm very familiar with route F. Spent a  
18 lot of nights there in a tent. It is one of the most wonderful  
19 places that you can go without going to the farthest reaches of  
20 Alaska to get away from crowds and people. And the way it  
21 currently exists the access is really only there in the winter  
22 and in the fall. And by doing that it's allowed that to remain

23 very unbothered. And I think the moose populations, the  
24 waterfall particularly concerned me in that area. Lynx, there's  
25 caribou in the hills up there off Bingenian (ph) Creek. There's

102A Comment noted.

102B See response to written comment 17H – Audobon  
Alaska letter (12/04/01) regarding visual impacts and  
written response comments 14D and 14E – Alaska  
Center for the Environment letter (12/05/01)  
regarding impacts to wildlife. Refer to the USFWS  
Compatibility Determination in Appendix A of the  
FEIS.

102C

1 just a number of issues that bother me quite a bit if this is  
 2 stretched out to a 200 foot thing and a 70 foot tower through  
 3 there. I'm concerned that even the scenic value for myself, but  
 4 just the wildlife and other issues are enough to I would think  
 5 look at some of the other options. I mean there is a utility  
 6 corridor which kind of makes -- rings a bit of common sense to  
 7 take route A or even follow the highway where we already have  
 8 power lines. And I know there's avalanche problems but they  
 9 could be put in other areas. So essentially I think we -- to  
 10 take route F I think we really should look closely at it. It's  
 11 one of the few places left and over the last 45 years or so the  
 12 growth that we've seen in Anchorage and the Kenai Peninsula  
 13 suggests that maybe we should try keep some of it as it is. So  
 14 that's really all I have to say

15 MS. OXLEY: Thank you for your comments

16 MR. MCKEOWN: Yep.

17 MS. OXLEY: Jack Hession. And Jack, will you please  
 18 when you get to the mic would you say your name correctly in  
 19 case I've butchered it and identify any affiliations.

20 MR. HESSION: Yes. Thank you Madam Chairman. My name is  
 21 Jack Hession, I'm here tonight on behalf of the Sierra Club, and

103A

22 it's Alaska Chapter. And it's Knik group for that matter  
 23 Thank you for this opportunity to comment on your proposal. In  
 24 summary we would recommend the environmentally preferred  
 25 alternative which is the Tesoro route, option A. And that

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102C The Tesoro Route has been identified as the agency preferred alternative. Refer to response to comment 1F – EPA (12/05/01). See also 21A – Wilderness Society form letter (12/03/01).

103A The Tesoro Route has been identified as the agency preferred alternative. Refer to response to comment 1F – EPA (12/05/01).

103B

recommendation is based on an analysis of the Draft Impact  
2 Statement which makes it clear that there would be significant  
3 impacts on Refuge resources and values if the Enstar route were  
4 chosen. For example, I'll just briefly mention some of them  
5 Nationally significant impacts to brown bears, black bears and  
6 moose, nationally significant impacts on wolves and lynx,  
7 similar impacts on recreation and land use, all adverse.  
8 Likewise significant impacts due to clearing of upland  
9 vegetation. Impacts, excuse me, on -- potential for locally and  
10 nationally significant impacts due to tree clearing near nest  
11 sites, impacts nationally significant on the visual values of  
12 the Refuge. Given these adverse impacts it seems inconceivable  
13 that the U.S. Fish and Wildlife Service could find this Enstar  
14 route compatible with Refuge purposes. As you know, in order to  
15 find -- in order to approve such a proposal the U.S. Fish and  
16 Wildlife Service would have to find that this project is somehow  
17 compatible. I cannot conceive of any circumstances in which  
18 this Enstar route would be considered compatible with Refuge  
19 values and resources. And that's the basis of our  
20 recommendation that the Tesoro route along the coast be chosen.  
21 It seems fairly obvious that if you have an alternative that  
22 costs slightly more but that totally avoids these adverse  
23 impacts on the Refuges that that's the route that's in the  
24 public interest. And we would urge the various agencies  
25 involved in this to come to that conclusion. I'll leave it at

103B The Tesoro Route has been identified as the agency preferred alternative. Refer to response to comment 1F – EPA letter (12/05/01). See also the USFWS Compatibility Determination in Appendix A of the FEIS.

1 that and we'll submit detailed comments on the Draft  
2 Environmental Impact Statement. Thank you very much.

OXLEY: Thank you for your comments. Shawn Wendling.

4 And after Shawn we'll hear from Steve Coun and then Bill  
5 Nagengast.

6 MR. WENDLING: I just wanted to come up and address the  
building line thinking that as a longtime Alaskan and consumer  
8 here in Anchorage, I think it's really important that we take a  
9 close look and recognize that our power needs are constantly  
10 growing and affordability is an important factor, quality of  
11 life. Having worked extensively in the arctic and seen the  
12 impact, hearing a lot about compatibility impact and  
13 compatibility of some of the wildlife with oil development and  
14 seeing that we've had some good compatibility I think that it's  
15 just important to recognize that we can develop a resource and  
16 apply the technology that we have and do it in a responsible  
17 compatible manner. So I'd just like to affirm that I'm in favor  
18 of the intertie being built

19 MS. OXLEY: Thank you. Steve Coun

20 MR. COUN: Good evening, I'm Steve Coun, I'm Executive  
21 Director of Alaska Public Interest Research Group, a consumer  
22 group, a consumer watchdog. There are a number of reasons why I  
23 would argue that the -- this proposed intertie by -- on any  
24 route is essentially a dinosaur. Yesterday's project conducted  
25 -- proposed using yesterday's logic It fails both economically

104A Comment noted.

105A Refer to the General Response to Issue 1 (pgs. 1-3 to 1-4), Issue 13 (pg. 1-8), and Issue 14 (pgs. 1-8 to 1-9) in Chapter 1 of the FEIS regarding Project purpose and need, economic analysis, and adequacy of

105A  
cont.

1 and environmentally and leaves unstudied alternatives that  
2 both more secure, more cost effective and did not exist in  
3 many years ago when the money -- the State money was encumbered

105B

4 to build this project. And so one must live in the present and  
5 the future when one is discussing a project that is projected to  
6 occur in the future. And that's my overarching theme. On  
7 matter of environment I would of course say that the least  
8 desirable is the Enstar route. It's really a travesty in the  
9 sense that historically the other route was part and parcel of a  
10 compromise a long time ago to avoid the Refuge. But as to the

105C

11 issue that the gentleman just spoke about, I refer him and  
12 back to your own report on something that matters a great  
13 to both the lovers of wildlife and the consumers of wildlife,  
14 that is to say the moose. On page 3-70 you say, and I quote  
15 briefly, the moose population is currently lower than what is  
16 prescribed in the Refuge comprehensive plan. Prescribed burns  
17 are utilized on the Kenai Wildlife Refuge as a means of  
18 enhancing creating moose habitat, especially winter range. The  
19 presence of a transmission line could restrict the opportunity  
20 to apply prescribed burning. If burn programs are restricted  
21 the ability of the KNWR staff to create and maintain habitat to  
22 support the numbers of moose called for in the plan would be  
23 compromised. And then it goes on to deal with other things and  
24 then it says interference with the prescribed burn program would  
25 constitute a significant impact both locally and nationally So

105B Comment noted.

105C Affects to prescribed burning on the KNWR are described on pg. 3-143 of the DEIS. Refer to the USFWS Compatibility Determination in Appendix A of the FEIS.

105C  
cont.

105D

105E

at each and every level from the subsistence or recreational  
 2 hunter to the -- to those who are concerned about maintaining  
 3 habitat, there is a glaring issue. That issue, by the way  
 4 needs to be transposed into its economic cost terms. In many  
 5 instances we seem to readily apply dollars to things like  
 6 electric rates and then fail because somebody's moose in the  
 7 freezer has an economic term and so do a viable habitat with  
 8 wildlife. These things deserve to be, I mean crassly because  
 9 this system is much about that, dollarized along with everything  
 10 else. This is not a project in any way, shape or form that  
 11 could sustain itself if it were funded by private enterprise.  
 12 We have both the RUS's, the request made upon them, and money  
 13 that was -- \$198 million dollars that was embargoed many years  
 14 ago and has not been reviewed by our legislature. So in other  
 15 words this is corporate welfare at its very -- with little or no  
 16 indication that there -- that it's going to read down to the  
 17 benefit of the consumer. Better to send each and every Alaskan  
 18 a larger permanent fund check. It's redundant technologically  
 19 in the sense that -- in several senses. Apparently the intertie  
 20 is requested both to provide some redundancy in case of  
 21 avalanches and things of that nature and to supply additional  
 22 electricity. Well, since the days that this was conceptualized  
 23 we have moved in quantum fashion in terms of fuel sell  
 24 technology and micro turbines. As for example, these matters  
 25 are touched upon but are dismissed simply because they don't

105D See Issue 13 (pg. 1-8) in Chapter 1 and Section 2.2.7  
 in Chapter 2 (pgs. 2-21 to 2-32) of the FEIS regarding  
 environmental economic analysis.

105E See the General Response to Issue 14 in Chapter 1  
 (pgs. 1-8 to 1-9) of the FEIS regarding adequacy of  
 alternatives analysis.

105E  
cont.

have much to do with bringing electricity from here to there  
 2 They need to be really looked at. They need to not only be  
 3 looked at from a standpoint of economics and impact on the  
 4 environment, but also because they didn't exist way back when.  
 5 And in the instances of avalanches obviously they are in some  
 6 ways more protective of individual locations than essentially  
 7 building the same thing twice. So I would encourage that to be  
 8 done as well. And finally, in conclusion, I would like to  
 9 suggest to you that the September 11th security issues are now a  
 10 lair of issues that must be absorbed and considered. Our  
 11 Governor has just spoken about millions upon millions of dollars  
 12 that are going to be necessary to enhance our own security  
 13 Alyeska is concerned about its pipeline, the northern oil fields  
 14 of course are a matter of that integrated grid type transmission  
 15 and technology products of yesteryear. And I say that quite  
 16 confirmly -- with quite confidence, are going to be replaced  
 17 with decentralized modalities that are simply more secure for  
 18 all of us going down the road, or will require less by way of  
 19 upkeep and securing, something that wasn't even thought about  
 20 when this particular project was developed and designed I've  
 21 touched on a number of areas, I am going to include some  
 22 economic and some written testimony. It -- the figures offer  
 23 little or no indication that in fact consumers will enjoy  
 24 greater and cheaper electricity in Southcentral or that there is  
 25 a need to do so. And left of course unstated is meeting the

105F

105F See response to written comment 15C – Alaska Public Interest Research Group letter (11/26/01) regarding security.

105G

105G See response to written comment 15F – Alaska Public Interest Research Group letter (11/26/01) regarding load growth. See also DEIS Section 3.7.3, Rate Impacts from the Project (pg. 3-189). Refer also to Issue 1 (pgs. 1-3 to 1-4) in the FEIS regarding need.



105G  
cont.

1 Kenai Peninsula's needs. I live both in Seward and in Anchorage  
2 and there's a growing population there whose needs should not be  
3 ignored. Here again, the problem with dealing with something  
4 that has covered so many decades and so many years of analysis  
5 and study is that you have to sort of bring everything to the  
6 present and project it to the future, my initial point. And I  
7 would appreciate it if you would do that as you reflect upon the  
8 testimony and this project. And I thank you all very much for  
9 the opportunity.

10 MS. OXLEY: And thank you for speaking. The next person  
11 is Bill Nagengast

12 MR. NAGENGAST: Good evening and thank you for the  
13 opportunity to speak a few words. My name is Bill Nagengast and

106A Comment noted.

106A

14 I would like to just voice my strong support for the  
15 construction of this transmission line. It will I believe  
16 enhance the reliability of our electrical service, both here in  
17 Anchorage and for the folks down on the Kenai Peninsula  
18 will provide some redundancy which we do need. I also support  
19 it because of the economic value, it will allow better and more  
20 economic transfer of the energy that is now on the Peninsula to  
21 here in Anchorage as well as from Anchorage to Kenai when the  
22 need arises. As far as the construction of the project goes,  
23 environmentally sensitive areas do need to be considered  
24 However I think we also need to remember that line construction  
25 technology has changed significantly from days gone by. There

1 are new methods of construction and new ways of doing things  
 2 that I think can be performed and come out with a very  
 3 successful project. Thank you.

4 MS. OXLEY: And thank you. Is there anyone else who  
 5 wishes to testify at this time? Oh, I see, Randy's got another  
 6 list. Thank you. Vivian Mendenhall And then Steve Stanford  
 7 and Michelle Wilson.

8 MS. MENDENHALL: Good evening. My name is Vivian  
 9 Mendenhall. I'm representing both the Alaska Office of the  
 10 National Audubon Society and the Alaska Chapter -- and the  
 11 Anchorage Chapter, I'm sorry, of the Society, whose area  
 12 includes the northern Kenai Peninsula We support all  
 13 reasonable measures to upgrade and maintain electricity supplies  
 14 in our area. However, we are strongly opposed to the  
 15 applicant's preferred route, the so called Enstar route, across  
 16 Kenai National Wildlife Refuge. This route would have  
 17 unacceptable impacts on the Refuge and its wildlife. And a  
 18 reasonable and prudent alternative to this route that would  
 19 accomplish the same objectives without sacrificing valuable  
 20 public resources. The Enstar route would cause unacceptable  
 21 adverse impacts on wildlife of the Refuge. These impacts  
 22 include loss of wildlife habitat and populations, wilderness  
 23 qualities and the ability of Kenai National Wildlife Refuge to  
 24 meet its legal mandates. A power line in the Enstar route would  
 25 essentially stop habitat management for moose, bears, wolves and

107A Comment noted.

107B The DEIS acknowledges that the Enstar Route would conflict with KNWR management plans (pg. 3-143). See also response to comment 13M – Alaska Center for the Environment letter (12/05/01). Refer to the USFWS Compatibility Determination in Appendix A of the FEIS.

107B  
cont.

1 lynx in the eastern third of the Refuge. This is because  
2 Refuge managers would be obligated to put out every fire in the  
3 area in order to protect a transmission line that was built  
4 there. Periodic forest fires are important in the forest  
ecology of the Alaska interior. This has been recognized over  
the last couple of decades. They maintain the willow nasp and  
brush that are essential forage and cover for moose, lynx  
8 other wildlife. Without fires the forest loses these plants.  
9 The eastern half of the Kenai National Wildlife Refuge burned in  
10 1947 and by now it's poor habitat for moose and lynx. And  
11 that's -- these are low there as it says right in the DEIS.  
12 Whereas southwestern Refuge area which burned in 1969 supports  
13 high densities of wildlife being much better habitat up to this  
14 point. The Refuge Manager currently allows natural fires to  
15 burn throughout the eastern part of the refuge. It also does  
16 prescribed burning in a small part of this area. The Enstar  
17 route would impair the Refuge's habitat management at a  
18 nationally significant level as the DEIS acknowledges. The DEIS  
19 says the Enstar route would only impact habitats in the power  
20 line corridor itself, but that's a gross understatement. It  
21 says the line would interfere with prescribed burns but it  
22 completely neglects the much larger impact of preventing natural  
23 fires throughout that area. Hunting is an important  
24 recreational use of Kenai National Wildlife Refuge as we've  
25 already heard. Among the most desired species are moose and

107C

107C Recreational impacts are discussed in the DEIS (pg. 3-184). See response to written comments 5B – NMFS (12/12/01) and 9B – Alaska DGC letter (12/05/01) regarding anadromous fish streams. See also response to written comments 14D and 14E – Alaska Center for the Environment form letter regarding impacts to brown bears and wildlife, and the USFWS Compatibility Determination in Appendix A of the FEIS.

107C  
cont.

1 brown bear. Populations of both, excuse me, are below target  
2 levels. There hasn't even been a brown bear season since 1995 I  
3 understand. One hundred and fifty foot wide cleared power  
4 corridor would allow easier hunting access to the eastern part  
5 of the Refuge, which among other things include seven anagrimous  
6 (ph) fish streams where brown bears gather. We can foresee  
7 further hunting restrictions on moose with increased hunting  
8 access. And possib -- **probably** increased loss of bears in  
defense of life and property even though no hunting season is  
10 open for them. They've been -- those have been increasing  
11 throughout the northern peninsula as a matter of fact. Several  
12 wildlife species of the Refuge depend on wilderness. Central  
13 third of the refuge has legal wilderness status, the eastern  
14 third is wilderness in character as the DEIS actually  
15 recognizes. Among the species that need larger areas of  
16 wilderness are brown bears, wolves and tundra swans. People  
17 might wonder about that, they live in Anchorage and see the  
18 bears in town all the time, however they're here because they  
19 have adjacent areas of quite well protected wilderness on  
20 several sides. Even after construction is completed disturbance  
21 from increased human access would continue to affect those  
22 species in the area, at least for a certain distance out from  
23 the corridor. Recreation also would suffer Several lakes  
24 along the corridor are used for wilderness recreation, as  
25 identified in the DEIS. Where people go to experience the

107D

107D The DEIS recognizes recommendations for protection of brown bears, which include retaining large areas of continuous suitable habitat, and acknowledges that the Enstar Route could conflict with management objectives for brown bears (pgs. 3-68 to 3-69) and wilderness plans (pg. 3-143). See also response to comment 107C (above).

107D  
cont.

1 beauty and the healing power of a wholly natural place. Those  
2 qualities would be destroyed in all those areas by putting a  
3 power line and a corridor right through them. I myself enjoy  
4 flying my plane across the eastern Refuge past the mountains.  
5 If the area were developed I'd lose an important part of natural  
6 Alaska that I enjoy and I probably wouldn't go to that area  
7 anymore, I'd find some other way to get there. Chickaloon Flats

107E

is a state critical wildlife area. That's the area at the  
9 northeast corner of the Refuge right where the Chickaloon River  
10 flows into Turnagain Arm. Turnagain Arm population of Beluga  
11 whales which is considered a depleted species by the National  
12 Marine Fisheries Service calves and feeds in the Chickaloon Bay  
13 flats. And up to 25,000 waterfowl according to the DES, and  
14 shore birds, stage on the flats in the spring. When the birds  
15 are migrating they gather there to feed. The DEIS does not  
16 analyze how a power line could be buried in those flats as  
17 called for the Enstar alternative during the applicant's  
18 preferred construction season without impacts on wildlife

107F

19 Though they do mention a couple of places avoiding the calving  
20 season of Beluga whales which is a part of that sensitive peak  
21 period. In conclusion, the Enstar route would have major long

107G

22 lasting impacts on the Kenai National Wildlife Refuge, which is  
23 a valuable public wildlife resource and wilderness The Refuge  
24 is required by law to allow only uses that are compatible with  
25 wildlife management and natural recreation. That's both in the

107E See response to written comments 1N – EPA letter  
(12/05/01) regarding waterfowl.

107F See Chapter 2, Section 2.2.5 (pgs. 2-17 to 2-18) of  
the FEIS regarding beluga whales.

107G Refer to the USFWS Compatibility Determination in  
Appendix A of the FEIS.

107G  
cont.

1 Act that created the Kenai National Wildlife Refuge which is  
2 ANILCA and in subsequent acts that define further what refuges  
3 may allow and how they can determine that. The DEIS contains  
4 flawed analyses. The Enstar route is not the environmental

107H

5 preferred route, even though it's the one that's finally chosen  
6 because of economic considerations alone. Furthermore, if the  
7 real costs, the real value, of the wildlife and wilderness were  
8 determined according to accepted economic methods and compared  
9 with the money value placed on the alternatives we believe that  
10 it would also not be preferred on economic grounds either. We  
11 are to the EISB extensively revised to reflect better analyses.

12 And we'll be submitting much more extensive written comments  
13 soon. Thank you

14 MS. OXLEY: Thank you very much. Steve Stanford

15 MR STANFORD: Hi, my name is Steve Stanford. I live here  
16 in Anchorage but I'm also a property owner in Hope. And I have  
17 to admit I have not read the draft, probably because I'm in  
18 school and I have too much else to read. But what I did when I  
19 first heard about the project, one of the things that came to

108A

20 mind was if -- and a real fundamental issue was if we have the  
21 abilities to bury this line across the inlet and maintain it in  
22 one of the highest tidal fluctuation areas in the world why  
23 can't we just go right off the coast of Nikiski and follow the  
24 mud flats and render all these fire issues, access issues,  
25 maintenance issues, terrorism, whatever people bring up

107H See Issue 13 (pg. 1-8) in Chapter 1 and Section 2.2.7 in Chapter 2 of the FEIS (pgs. 2-21 to 2-32) regarding economic analysis.

108A The high cost of a cable installation along the coast from Nikiski to Anchorage would render the Project financially infeasible. See comment 108B (below) for a more detailed explanation. See also FEIS Section 2.2.1, Project Benefits and Costs (pgs. 2-1 to 2-4), and Section 2.2.3 Underground Construction Costs (pgs. 2-11 to 2-14) for further information.

108A  
cont.

1 security, all that, it would just seem to make sense that we  
2 would just go right off and go mud flats all the way, just lay  
it in, when it's down it's done. Because what I've noticed, I  
4 mean obviously it is some redundancy. And, you know, the  
5 entities that do power and power management are always going to  
want to have some cush room. And I understand their logic is to  
maintain their grid and their basis and everything and I don't  
8 really fault them for that. But what I do see as an issue is  
9 again, some of the other topics that have been addressed by the  
0 other speakers. You're taking this 200 foot swath through  
1 basically one of the best places on the whole Kenai Peninsula  
2 because you -- you know, as development's going to occur all of  
13 those other areas are going to become major issues. And your  
14 especially your transmigration and all that other stuff with  
15 various species are going to be affected. And it just -- you  
16 know I look at this and I'm thinking -- and if I was the  
17 director of this consortium I'd want to, you know, just put it  
18 in the mud, just bury it, so I'm not screwing around with  
19 litigation, fires I mean there's a host of issues that will go  
20 on. And, of course, I would like to see in the next draft EIS  
21 that possibility at least costed out. You know, why was that  
22 not even touched? Because I know we have the ability to drop  
23 cable lines very well now, very efficiently, after working on  
24 the slope and seeing some of the -- even the technology we had  
25 going on up there. It's not that difficult. And I would be

108B

1 curious to see what is the cost compared to -- because we're  
 2 and since we are also involving federal money, that this could  
 3 be a justifiable cost in the sense of a long term cost  
 4 maintenance How much will it cost? Is there any -- been any  
 5 -- and I haven't read that, but to look at the long term  
 6 maintenance costs of maintaining this line, especially if you  
 7 can factor in hypothetical events like fires and other things?  
 8 What's that going to cost over the life of -- well, if the mud  
 9 line as you want to call it were to cost \$130 million, who  
 10 knows, I don't know the figures. But if it wasn't that much  
 11 more then with the federal monies being involved and all of the  
 12 other contentions going on, you know, it's possible that this  
 13 consortium could spend \$200,000.00 to \$500,000.00 in litigation  
 14 before they even get the line built. And so I -- it's one of  
 15 those things that I'd like to see in the next round of the EIS  
 16 is not just two alternatives. Basically we have an industry  
 17 picked alternative and then we have an old kind of muddled

108C

18 alternative on the Tesoro route. But there really has been no  
 19 -- you know, usually you try and look at more options. And I  
 20 and you look at the map and it just seems to make sense that you  
 21 could just boom, boom But it'd be nice to see that in the next  
 22 EIS, at least some kind of estimate. And the long term like

108D

23 annual yearly maintenance cost. How much is it really going to  
 24 cost to maintain this above ground system and do all the  
 25 associated prerequisites, error, all that stuff So I guess

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108B Maintenance costs for both the Tesoro and Enstar Routes have been incorporated into overall cost evaluation. See DEIS Section 1.4.1, Construction and Life Cycle Costs (pg. 1-31). See also responses to comment 1H – EPA (12/05/01) for more information on Project costs.

Installation of a submarine cable the entire distance from the Bernice Lake Substation on the Kenai Peninsula to the Pt. Woronzof substation in Anchorage would be very expensive, due to the high cost of submarine cable circuits and the long distance involved. In addition to installation of the submarine cables, it would be necessary to bring the cables onshore at intervals to install reactive compensation facilities. Reactive compensation involves the installation of specialized equipment in a substation to allow voltage support for the system or to increase power flow across a transmission line segment (DEIS pg. 2-47). Reactive compensation is needed to offset the charging current in the submarine cables to allow the desired amount of power to flow between the Kenai Peninsula and Anchorage. While no engineering studies have been completed for this option, reactive compensation would at least be required at Bernice Lake Substation, a new location halfway to Pt. Possession, Pt. Possession, and the Pt. Woronzof Substation.

The following is a comparison of the proposed project cost and the approximate cost for an all-submarine cable alternative using Route Options A, D, and N. For this comparison, costs for the various types of facilities required were adapted from the 1998 Power Engineers cost study (also listed in DEIS Table 1-12, pg. 1-31). The information for the proposed project is listed first.

- miles of submarine cable: 13.9 vs. 65
- constructed cost: \$99.5 vs. \$217 million
- present worth of operation and maintenance costs: \$4.3 vs. \$4 million
- present worth of submarine cable replacement costs: \$10.7 vs. \$50 million
- total life cycle costs: \$114.5 vs. \$271 million

The high cost of an all-submarine cable alternative would make the Project financially infeasible.

For responses to 108C and 108D please see next page.



that's about what I wanted to cover. Oh, and I was going to say, it'd be nice for people who are testifying -- it's one thing to be pro energy but give the route idea. Because I think what's really going on here is not so much that we don't need this route or we don't need a linkage, it's the choices. So I think, you know, if the choice was fairly benign then you would have almost no opposition to this project. And it may be worth an extra, you know, \$10, \$20 million. I know that's a lot of money, but in Alaska, well, you know So, anyway, thank you.

MS. OXLEY: Thank you Steve. And Michelle Wilson.

MS. WILSON: Hi, I'm Michelle Wilson speaking tonight on behalf of Alaska Center for the Environment. Alaska Center for the Environment is the state's largest nonprofit advocacy organization. We have over -- list of 20,000 -- excuse me, 20,000 members, or contacts. We have a strong concentration of our members based in Southcentral Alaska. And I wanted again by saying that Alaska Center for the Environment is committed to energy solutions for the Anchorage bowl and beyond that really look at energy solutions that aren't at the cost of our natural heritage. We're very concerned with this intertie project with it's preferred alternative route at this time And we're also concerned at the long term implications of cable crossings, I'm glad to focus out int -- or talking about that tonight. And we have a couple questions regarding the history of cable crossings in the Knik Arm area as well as the future proposals for two of

108C See the General Response to Issue 14 (pgs. 1-8 to 1-9) in Chapter 1 of the FEIS regarding alternatives analysis.

108D See response to comment 108B (above).

108E Comment noted.

109A Comment noted.

109B 1 the main alternatives that are being proposed. First I'm  
2 I'd like to just -- I mean I'm just also interested in knowing  
3 if the rate payers or the consumers involved in Chugach Electric  
4 were notified about this meeting tonight. Because I think a lot  
5 of rate payers with Chugach Electric should be at this meeting  
6 right now and knowing the alternatives that are being posed by  
7 Chugach Electric company. We were very excited when Chugach  
8 Electric a few maybe months ago gave their rate payers the  
9 option to look at wind energy in Portage. And we think this is  
10 a great step in the right direction for Chugach Electric.  
11 Unfortunately it does ask rate payers if they'd be willing to  
12 pay more to have wind energy. And we think that actually  
13 projects like this that the state and federal governments are  
109C 14 bringing to Chugach Electric to subsidize should actually be  
15 subsidizing more sustainable projects like wind energy. And the  
16 wind energy project in Portage is a great proposal because it  
17 would hook up with the existing power line and that's one of the  
18 reasons why the Courts (ph) Creek alternative is really interest  
19 -- we're really interested in that alternative because of those  
20 options. So I'd really like to hear more about the wind energy  
21 projects and other ideas that Chugach Electric has to offer rate  
22 payers here in Anchorage So, let's see. And then let's just  
109D 23 talk a little bit about this preferred alternative. There's  
24 several reasons we agree with other folks that have spoken  
25 tonight, why we clearly oppose the preferred alternative through

109B Comments noted. Consultation and coordination efforts and public comment on the DEIS are described in Section S.6 and S.7 (pg. S-24), and Chapter 1, Section 1.2 of the FEIS.

109C Comments noted. The DEIS evaluated a number of alternatives, including wind energy and the Quartz Creek Route. See DEIS Section 2.2, Alternatives Studied and Eliminated from Detailed Study (pg. 2-1). Specifically "Wind Generation" (pg. 2-6) and Quartz Creek Transmission Corridor (pg. 2-8). These alternatives do not meet the purpose and need for the Project. See General Response to Issue 1 (pgs. 1-3 to 1-4) and Issue 14 (pgs. 1-8 to 1-9) in Chapter 1 of the FEIS regarding purpose and need and alternatives analysis for the Project).

109D Comment noted.

the heart of the Kenai National Wildlife Refuge But let's -- I  
 to talk a little bit about the cable crossings. We think  
 that they're, one, cost prohibitive, and two, that they're  
 4 really a danger to our declining population of Cook Inlet  
 5 Belugas. Residents of Anchorage and the Kenai Peninsula, we  
 6 live here primarily because we enjoy the fish and wildlife and  
 7 recreation opportunities of why we're here. And we really need  
 8 to be careful about submarine cables when we're -- from --  
 9 according to the DIS those cable crossings are going to happen  
 10 during the summertime and the most important time for Belugas in  
 11 Cook Inlet, especially the upper part of the inlet, is the  
 12 summer months. And Chickaloon Bay, as has been mentioned, is a  
 13 primary sensitive habitat area for Cook Inlet Belugas, it's a  
 14 concentration area. If you've ever gone out there in the  
 15 summertime it's just amazing to look down and see hundreds and  
 16 hundreds of Cook Inlet Belugas, although those are getting less  
 17 and less, in this one region. And for subsistence -- I mean  
 18 there's lots of reasons why we want to maintain the Beluga  
 19 population in our inlet and it's a primary marine mammal for  
 20 tourism and also just for the health of our quality of life  
 21 here. So we're really concerned about the Chickaloon Bay cable  
 22 crossing We're also concerned about seismic testing that would  
 23 come at the result of cable crossings and cable lane and  
 24 maintenance. Obviously cable cr -- cables have a, you know, 15  
 25 to 20 year life span, they're not, as everyone who works for

109E See Chapter 2, Section 2.2.5 (pgs. 2-17 to 2-18) of the FEIS regarding beluga whales. See also responses to comment 1H – EPA letter (12/05/01) for more information on Project costs.

109E  
cont.

109F

109G

Chugach Electric here knows and others, that this is not a  
 2 term deal. And we want to know -- you know, the rate payers are  
 3 going to have to cover the cost of the maintenance over the  
 4 term. If something happens to those cable crossings they're  
 5 they cost millions at times to repair, either bring in experts  
 6 from other parts of the world. To us it just seems like when  
 7 you're comparing maintaining cable crossings and fixing those  
 8 compared to avalanches where you have to, you know, maybe build  
 9 a better avalanche safe power line, to us it seems like power  
 10 lines above ground are a lot more cost effective and better than  
 11 cable crossings. So questions we do have and would like to get  
 12 answers to before the comment deadline, the 5th of December, is  
 13 what are the cost of cables, how much does a submarine cable  
 14 cost per foot versus an overhead wire, how many cables have you  
 15 placed in -- or has Chugach Electric or others placed in Knik  
 16 Arm and at what cost and how many of them are still in use.  
 17 Turnagain Arm has turbulent waters and we're concerned that  
 18 that's not appropriate for cable crossings. While there have  
 19 been cable crossings in the Knik area, you know, what are the  
 20 dam -- the dangers of having one in the Turnagain Arm area The  
 21 channels are undercut, the chaff and they fail and with  
 22 turbulence they could also affect the shoreline areas. This  
 23 goes back to another reason for us to support decentralized  
 24 energy options versus cable crossings and other types of more  
 25 centralized power lines And our concerns about the long term

109F The submarine cable circuit installed in the Knik Arm in 1999 cost \$650 per foot (installed cost). This circuit consists of four individual cables (three cables for the electrical circuit and one spare cable). The submarine cable circuit installed in 1990 cost \$750 per foot. Costs for cables installed prior to 1990 are not available. When considering submarine cable costs, it should be kept in mind that submarine cable costs can vary widely because of the limited demand for submarine cables worldwide, as compared to overhead cables. The price paid for a submarine cable will depend on what other submarine cable Projects are ordering when a price is negotiated.

The overhead line proposed for the Tesoro Route segment north of CCSRA would consist of three 1.1-inch-diameter aluminum/steel conductors (wires) suspended from guyed steel X frame structures. For comparison to the Submarine cable costs, the estimated cost of that overhead line circuit is \$114 per foot (installed).

Because of the large difference in the cost of a submarine cable circuit versus an overhead line circuit, it is always preferable to construct overhead lines where feasible rather than a submarine cable circuit. However, where an overhead line is not feasible, such as crossing the Turnagain Arm, submarine cable is proposed.

There have been 14 cables installed in the Knik Arm between Pt. Woronzof and Pt. McKenzie since 1967. Currently, eight of these cables are in use. In addition, in 1981 a 230kV cable circuit was installed between the Six Mile East and West substations farther north up the Knik Arm. This 230kV submarine cable circuit (consisting of four individual cables) is currently in use. Therefore, the total number of submarine cables currently in use in the Knik Arm is 12.

109G Submarine conditions and mitigation are described in Section 3.4 (pg. 3-27) of the DEIS. See Chapter 2, Section 2.2.5 (pgs. 2-17 to 2-18) of the FEIS regarding beluga whales. See also General Response to Issue 14 (pgs. 1-8 to 1-9) in Chapter 1 of the FEIS regarding alternatives analysis.

109G  
cont.

1 costs in terms of maintenance, repair and other maintenance  
2 areas during the summer months when the Belugas are there.  
3 the Belugas, our biggest concern for Belugas are between the  
4 months of May and September where we'd like to see no  
5 construction maintenance activities occur at all. And clearly  
6 there's many arguments stated in the draft EIS and why the

109H

7 Refuge preferred route is not good based on cumulative impacts  
8 of oil and gas production that already occurs in the Refuge. We  
9 feel this is not compatible in terms of the cumulative impacts  
10 that we feel that the species of special concern listing for the  
11 Kenai Peninsula brown bear needs to be considered by every state  
12 and federal and local agency that plans to do any projects in  
13 that area. Power lines clearly also bring in increased human  
14 access by snow machines in the winter and other users that  
15 traditionally don't have access to these areas, some of which  
16 are eligible wilderness. And we have a dr -- we have a new land  
17 management plan coming up on the Kenai National Wildlife Refuge  
18 in the coming year and folks are going to really want to talk

109I

19 about some of these eligible wilderness areas. We are also  
20 concerned about the fact that we're not going to be able to see  
21 prescribed burns in game unit 15 which will directly affect  
22 subsistence communities of Ninikchik, Hope and Cooper Landing

109J

23 And we're, you know, not necessarily convinced that the Tesoro  
24 route is the second best alternative. That route also brings in  
25 a new road to an area outside the Refuge that would still bring

109H See response to written comment 14C – Alaska Center for the Environment regarding cumulative impact analysis. The DEIS acknowledges that the Enstar Route would conflict with KNWR management plans (pg. 3-143). Refer to the USFWS Compatibility Determination in Appendix A of the FEIS.

109I See response to written comment 13O – Alaska Center for the Environment letter (12/05/01) regarding prescribed burning and subsistence.

109J No new long-term access for the Tesoro Route would be required, except for Option B (Link T-11) on Fire Island (which would not increase access to KNWR). See DEIS Summary (pg. S-6), and Section 2.6.2, Environmentally Preferred Alternative (pg. 2-59). See also Appendix B, Table B-1, and Section 2.5.3, Construction Access, Overhead Facilities (pg. 2-52), and the Mitigation Plan in Volume II of the FEIS.

109J  
cont.

109K

1 in increased access and impacts and adverse impacts to  
2 region. And we would like to see a more thorough analysis of  
3 the Courts (ph) Creek alternative This is an existing line  
4 that already has disturbances that have taken place. And it  
5 seems like one of the main arguments against the Courts (ph)  
6 Creek alternative is the fact that there's been avalanches in  
7 the past. During the avalanches of -- I couldn't remember if it  
8 was '88 or '89, certain power lines were taken out and so there  
9 was some construction done. There's -- I think there's ways to  
10 mitigate and move around that. You know, we have great  
11 technology this time and human evolution. We can, you  
12 build power lines that mitigate avalanche damages which is the  
13 better alternative than the other ones. And so, again, I'd like  
14 just to go back to looking at other alternatives like the wind  
15 energy project and other alternatives that aren't well analyzed  
16 in this project. And Rural Utility Services, I thank you for  
17 being here and look at this project. I think Alaska could  
18 really benefit from some rural utilities such as tidal energy in  
19 Cook Inlet, wind energy fuel cells that are long term  
20 sustainable solutions for the residents that love our natural  
21 heritage and wildlife and fish here. Thanks.  
22 MS OXLEY: Thank you Michelle. Are there others Randy on  
23 your list? Thank you. Is this Gregory?  
24 MR. ERRICO: Yes ma'am. I support the power line.  
25 MS. OXLEY: Gregory, can you -- for the record can you

109K See response to written comment 20M – The  
Wilderness Society (12/05/01) and 21A – Wilderness  
Society form letter (12/03/01) regarding the Quartz  
Creek Route. See also the General Response to Issue  
14 (pgs. 1-8 to 1-9) in Chapter 1 of the FEIS  
regarding alternatives analysis.

1 give your full name?

2 MR. ERRICO: Gregory Michael Errico. I'm directly

3 impacted by it. It would come up my back yard, the preferred

4 alternative route. But they have already taken into

5 consideration the impact to myself and my neighborhood as well

6 as the environment through that area by putting it underground

7 It also minimizes the submarine cable crossing and that's why

8 I'm voicing my support for the preferred route. Thank you

9 MS. OXLEY: Thank you. And Marcie, did you wish to

10 comment too? Is she still in the room Gregory?

11 MR. ERRICO: I'll go get her, she's (indiscernible

12 MS. OXLEY: And while he's doing that I'd just like to

13 make sure everybody understands that the comment period is open

14 until December 5th There's one more public hearing that's

15 scheduled for tomorrow night in Soldotna. Otherwise the

16 comments need to be submitted in writing. And the handout you

17 picked up at the door gives you all the information about where

18 to do that Hello Marcie, did you have comments?

19 MS. ERRICO: I did.

20 MS. OXLEY: Would you state your name, your full name?

21 MS. ERRICO: My name is Marcie Errico. And I reside at

22 1184 Oceanview right along the route along the railroad tracks.

23 And I just wanted to make a few comments about the applicant's

24 route which I understand is the preferred route for the

25 alignment Right along that railroad right of way is the

110A Comment noted.

110A

111A

111A  
cont.

there's several things that go on there. There's a small  
 2 airstrip which I understand the intent was to underground  
 3 line to north of the airstrip and I would highly encourage you  
 4 to follow through with that thinking because of all the  
 5 implications with the aircraft coming through there. The other  
 6 aspect is that within that right of way there are sections where  
 there's some open green spaces but then there are also a number  
 8 of heavily treed spaces that buffer the residential  
 9 neighborhoods on either side of the railroad tracks. And to  
 10 implement either an overhead or an underground route through  
 11 that area there's going to end up being a large amount of  
 12 clearing that will have a great impact on the visual buffers  
 13 within the neighborhood both for the residents as well as the  
 14 people who use that area for recreation. That right of way  
 15 right along the railroad tracks is a very common activity area  
 16 where people ski and walk their dogs even take their mountain  
 17 bikes along there, it's a very active area. And one of the  
 18 reasons it's so active is it does have a natural setting  
 19 buffers the users from the neighboring homes as well. And so to  
 20 lose that vegetative buffer along there will definitely have an  
 21 impact on the users That may be unavoidable. I guess my  
 22 recommendation would be to pursue all possible means to limit  
 23 the amount of clearing that needs to happen both for  
 24 construction and for maintenance purposes. Because even if  
 25 things are allowed to grow back after construction and they're

111B

111A Comment noted. The proposed route will be underground near Flying Crown airstrip. See DEIS Section 3.6.3, Alternatives, Oceanview Park to International Substation via Alaska Railroad – Route Option K (pg. 3-147).

111B The visual impacts and associated mitigation measures in this area are described on pgs. 3-258 to 3-260. These measures include undergrounding, selective tree clearing and the use of single poles as shown in Mitigation Plan in Volume II of the FEIS.



111B  
cont.

1 only cut just for the initial purposes those trees will take  
2 to 40 years to grow back to the size that they are now. And so  
3 I guess I would just hope that in the process of looking at  
4 preferred route that thought is given to the current users of  
that area as well as the residents and the -- kind of the  
aesthetic status of that area as kind of a nice pristine area to  
walk around in. Thank you